PXP net loss narrows to P10M on higher revenues

PXP Energy Corp. managed to trim its attributable net loss in the third quarter to P10.24 million from P18.88 million in the same period last year, the Pangilinan-led company reported on Thursday.

Its core net loss also shrunk to P10.45 million from P12.59 million previously amid lower margins from the Galoc operations, an increase in overhead cost, and higher interest expense, the listed oil and gas company said in a regulatory filing.

PXP's Galoc operations are covered by Service Contract (SC) 14C-1, which is located offshore northwest Palawan basin.

The company's petroleum revenues stood at P23.68 million, higher than the P4.17 million last year, coming from three offtakes totaling 475,183 barrels at $80.50 per barrel under Galoc's operations.

Cost and expenses reached P33.4 million, higher than P18.35 million a year earlier. Of the total, P15.64 million covered petroleum production costs while P17.75 million were general and administrative expenses.

For the nine-month period, PXP recorded a net loss attributable to the parent firm of P22.9 million, down from P25.29 million in the same period last year.

Core net loss stood at P23.87 million compared with P14.67 million in the previous year.

For the three quarters, PXP posted consolidated petroleum revenues of P63 million, higher than P49.28 million a year earlier.

Consolidated costs and expenses were higher at P82.1 million from P65.62 million previously brought about by higher petroleum production costs in SC 14C-1 Galoc at P41.1 million.

In March, the Department of Energy affirmed that the period from Oct. 14, 2020 to April 6, 2022 will be credited back to SC 72 and SC 75.

PXP said that once the force majeure is lifted, both service contracts will retain the equivalent remaining terms of the respective subphases until Oct. 14, 2020.

As of June, PXP holds a 50% interest in SC 75 located in northwest Palawan. Its subsidiary, Forum Energy Ltd., in which PXP holds a direct and indirect interest of 79.13%, has a 70% participating interest in SC 72, also in northwest Palawan, through its wholly owned subsidiary Forum (GSEC 101).

"Each of PXP and Forum will continue to coordinate with the Government on the resumption in both SC 72 and SC 75. Meanwhile, the Group shall continue to pursue exploration work with respect to its other projects in the Philippines, including SC 40 and SC 74," the company said.

At the local bourse on Thursday, shares in the company went down by one centavo or 0.31% to close at P3.24 apiece. — **Sheldeen Joy Talavera**

Robinsons Retail profit down 41%

GOKONGWEI-LED retailer Robinsons Retail Holdings, Inc. (RRHI) posted a 41.4% decline in its nine-month attributable net income due to various reasons including higher equitized losses from its minority start-up investments.

In a regulatory filing on Thursday, RRHI said its nine-month attributable net income fell to P2.58 billion from P4.41 billion a year ago.

"The decline in net income [attributable] to parent was weighed by equitized losses from minority start-up investments which continue to ramp up, the derecognition of Robinsons Bank's net income under equitized earnings following the ongoing merger with the Bank of the Philippine Islands (BPI), interest expense from the acquisition financing of the BPI shares that were purchased earlier this year, and the absence of cash dividends from BPI in the third quarter of 2023," RRHI said.

Despite the lower attributable net income, RRHI said its net sales during the January-to-September period climbed 8.7% to P138.20 billion from P127.09 billion, led by its supermarket and drugstore segments.

The listed firm's core net earnings also climbed 4% to P3.79 billion from P3.64 billion.

"The company was able to generate growth in net sales and core net earnings despite the impact of inflation on consumption and a challenging base last year which benefitted from economic reopening and election-related spending," RRHI said.

RRHI added that its net sales growth was supported by a 5% growth in blended same-store sales as well as store expansion initiatives.

"The core staples businesses — supermarkets and drugstores in particular were the main revenue growth drivers in [the] first nine months of 2023. These two segments accounted for almost 75% of RRHI's revenues for the period," the company said.

It added that "a bright spot" in its portfolio was the department store segment, which it said managed to deliver double-digit topline growth as of the third quarter "due to back-to-school and continued out-of-home activities."

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RRHI's consolidated gross profit during the period climbed 9.4% to P32.9 billion due to improvements in its category mix and higher penetration of private label brands. Operating income rose 3.7% to P6.14 billion.

"Our defensible business model has enabled us to continue growing and remain relevant among Filipino consumers. This is notwithstanding near-term macroeconomic challenges, particularly the impact of inflation on consumer sentiment," RRHI President and Chief Executive Officer Robina Gokongwei-Pe said.

"These headwinds are temporary, in our view, and we thus remain positive on the long-term potential of the domestic retail industry given the Philippines' attractive demographics. We will continue to invest with a long-term view and in a sustainable manner — core strategies that we firmly believe will translate to greater stakeholder value," she added. — **Revin Mikhael D. Ochave**

PHL seeks funding options for railway projects

THE PHILIPPINES is looking at funding alternatives such as multilateral lending institutions after it shelved a plan to seek loans from China to fund two railway projects, the Transportation chief said on Thursday.

"Our other options are, we can still go to other ODAs (official development assistance). There's JICA (Japan International Cooperation Agency), ADB (Asia Development Bank), and World Bank," Transportation Secretary Jaime J. Bautista told reporters on Thursday.

"There are other governments that are helping us. There's a possibility of them to support the financing of these projects," he added on the sidelines of a forum facilitated by the German-Philippine Chamber of Commerce and Industry.

In a letter sent by the Finance department, Chinese Ambassador Huang Xilian said that the Philippines is withdrawing its request for ODA from China for the first phase of the Mindanao Railway project.

"Since there's not much movement on the financing we requested the Department of Finance to help us look for other funding sources," he said.

"The Department of Finance already sent a letter to China, informing them that we will not pursue the loan anymore," Mr. Bautista said.

He said that for now, the Philippines will not be seeking any more Chinese funding for its two other railways projects such as Bicol's south long-haul and Subic Clark railway projects.

Last year, the Department of Transportation said the Philippine government would resubmit its loan applications to China for major railway projects consisting of the first phase of the Mindanao railway project or the P83-billion Tagum-Davao-Digos segment, the long-haul south Philippine National Railways, and the Subic-Clark railway project. — **Ashley Erika O. Jose**